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23 May 1958

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CENTRAL INTELLIGENCE BULLETIN



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CENTRAL INTELLIGENCE BULLETIN

23 May 1958

DAILY BRIEF

25X1

I. THE COMMUNIST BLOC

25X1 [redacted] Soviet-satellite relations: Khrushchev's reported remarks [redacted] that Tito is a "traitor" and that Stalin's methods against him were correct reflect a more extreme attitude toward Yugoslavia than has been suggested in any Soviet propaganda thus far. If Khrushchev has decided to launch an extremely vigorous anti-Yugoslav campaign, he will have to insist on a higher degree of conformity from the satellites. Should he fail in obtaining this, Moscow will have to reassert more direct control. The extraordinary meetings of the bloc leaders in Moscow this week may mark a significant stage in a retreat from the generally flexible Soviet policy toward the satellites highlighted at the 20th Party Congress. [redacted]

25X1 [redacted]

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II. ASIA-AFRICA

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No

Watch Committee conclusion - Middle East: A deliberate initiation of hostilities in the Middle East is considered unlikely in the near future. However, serious incidents are likely to recur. In Lebanon, where the continuing crisis represents a threat to the existence of the state as presently constituted, the opposition to Chamoun is being exploited by a number of neutralist and anti-Western elements, including UAR sympathizers and the Lebanese Communists. There is no evidence available to indicate any intention by the Soviet bloc, or by Israel to become involved militarily. There is evidence of considerable intervention by the UAR, including armed irregulars, but military dispositions do not indicate an intention openly to intervene in force.

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No

Watch Committee conclusion - Indonesia: Significant numbers of Soviet bloc arms and technicians are arriving in Indonesia. There are no developments indicating a Sino-Soviet bloc intention to become directly involved in military

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operations in Indonesia. The situation continues to favor local Communist and Sino-Soviet bloc exploitation. There is, however, some evidence that this fact is becoming increasingly recognized by certain Indonesian leaders.

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yes Malaya: Communist terrorists are surrendering at an unusually high rate.

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yes not all these surrenders are the result of government operations, suggesting that the change in Malayan Communist policy from one of terror to one of subversion--first ordered in 1951--is being stepped up.

25X1

yes Somalia: The possibility that a small, anti-Western element with the Somali Youth League may resort to violence is suggested by a report that this group is planning to bomb the USIS office in the American consulate general in Mogadiscio. The plan may have been inspired by news of recent attacks on US installations in Lebanon.

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no Watch Committee conclusion - North Africa: The reported growing restlessness of French troops in Tunisia, together with the continued crisis in Algeria, is likely to lead to serious incidents in Tunisian territory and set the stage

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for the internationalization of the present internal French-Algerian problem. No evidence is yet available of Soviet bloc efforts to exploit the current crisis in North Africa, except in propaganda. [REDACTED]

25X1

III. THE WEST

yes *France: Pflimlin's decision to ask the National Assembly to vote on 23 May on the general desirability of amending the constitution to strengthen the executive is a tactic intended to gain more support from the French public. Constitutional reform is regarded by most Frenchmen as the best way to revitalize the Fourth Republic. A press report that De Gaulle might--under certain conditions--accept Pinay's plea to mediate between Paris and Algiers may also tend to reduce rightist pressures against Pflimlin. None of this maneuvering seems likely to affect the attitude of the military, who remain opposed to Pflimlin; but they are not known to be considering any imminent action against the government. [REDACTED]

no West Germany: Adenauer has told the American Ambassador that he is concerned over the course of negotiations for a summit meeting. He insists that for domestic political reasons he must have such a meeting or else a clear demonstration for the West German public that Moscow is blocking it. He also believes that the anti-nuclear weapons campaign of his political opponents in West Germany is more successful than he had previously expected. [REDACTED]

no Panama: Widespread rioting in parts of Panama City adjacent to the Canal Zone and a general strike against the government led President de la Guardia to declare a state of siege on 22 May. Thus far there have been no anti-American overtones in the disturbances. Powerful opposition

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politicians are known to be promoting the riots in an effort to oust moderate de la Guardia. These politicians have been behind the recent campaigns for greater recognition of Panamanian claims in the Canal Zone.

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I. THE COMMUNIST BLOC

Moscow Bloc Meeting Probably Coordinating Action
Against Yugoslavia

Yugoslav officials now have concluded, against the background of the extraordinary bloc meeting in Moscow this week, that Khrushchev has decided to take a progressively harder and more aggressive line against them. As yet, it appears unlikely that the more extreme measures taken in bloc countries adjacent to Yugoslavia after the 1948 break, such as threatening military moves and deportation of minorities of Yugoslav descent, will be reinstituted, and Soviet propaganda has not reached the 1948 level of vituperation. Khrushchev's [redacted] remark [redacted] however, that Tito is a "traitor" and that Stalin's methods against him were correct, if translated into official policy would appear to call for an exceptionally vigorous Soviet retaliation against Tito.

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The extraordinary meetings in Moscow this week may mark a significant stage in the retreat from the generally flexible Soviet policy toward the satellites highlighted at the Soviet 20th party congress. Coordination of bloc action against Yugoslavia, as well as practical measures to tighten bloc unity and economic integration, will probably require the USSR to insist on a higher degree of conformity among the satellites, and, failing this, to reassert more direct controls.

The emphasis by Soviet papers on the party rather than government roles of the assembled bloc leaders in Moscow suggests that the meeting has political as well as economic purposes. The presence in Moscow of at least three Soviet ambassadors to the satellites further highlights the importance of the meeting.

The meeting puts Poland in a particularly vulnerable position. Moscow probably is attempting to force Gomulka into such close alignment with the bloc on the Yugoslavia

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issue that his compliance would compromise his position that every Communist country must control its own internal affairs, the keystone of his Polish road to socialism. Gomulka is likely to continue to resist any attempts to infringe on his internal control in Poland, despite being under more severe pressure than ever before.

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Increasing Rate of Communist Surrenders in Malaya

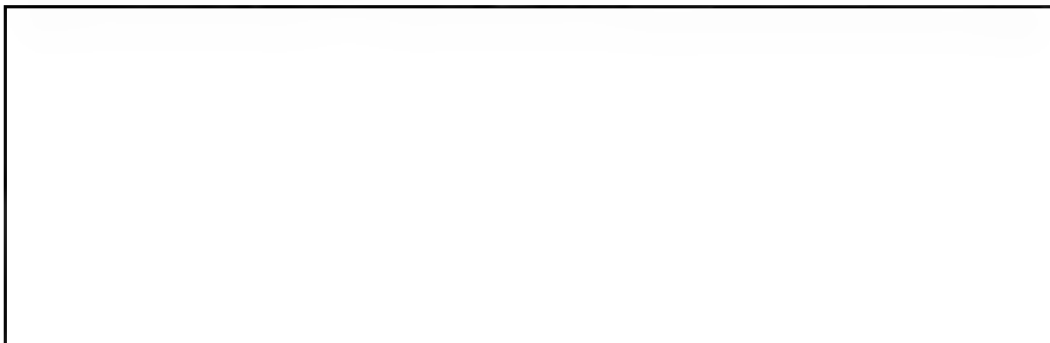
The Federation of Malaya on 28 May will announce the defection of 100 Malayan Communist party terrorists in the state of Perak during the past few months, the highest rate yet achieved. These defections followed a major security operation which involved the return to the jungle of defected Communist officials who induced their comrades to surrender. A similar operation which is still under way in the state of Johore is having comparable success but is not being publicized. In addition to these defections, other surrenders are now higher than normal.

[redacted] the surrenders were not necessarily all induced by government military pressure. [redacted] the Malayan Communists are now accelerating implementation of the decision, taken in 1951 but only slowly implemented, to switch strategy from terrorism to subversion. Under present government amnesty terms, those terrorists who surrender and demonstrate their loyalty to the Malayan Government will not be prosecuted for any "emergency-connected" offense committed before 1 September 1957, and will be helped to regain a normal place in society.

Although it appears highly unlikely that the Malayan Communist party will surrender formally in the near future, the party undoubtedly regards the shift of selected individuals from terrorism to subversion as advantageous. It is conceivable, however, that the party, rather than accept what it regards as unfavorable surrender terms, will continue and accelerate the individual surrenders to the point of virtual cessation of military activity.

Possibility of Military Coup in Laos

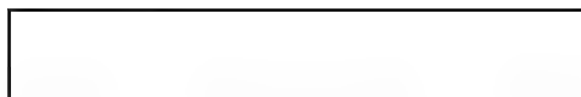
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The army is increasingly concerned that the conservatives have made no perceptible progress since the elections toward submerging their differences. The new government will probably be essentially the same as the outgoing one under Premier Souvanna Phouma, unless the Communists choose to precipitate a cabinet crisis in the hope of forcing new general elections. There are indications that Prince Souvanouvong, the leader of the NLHZ, has become extremely influential in the cabinet. Communist infiltration into government ministries has been stepped up.

Although the military leaders can probably overthrow the cabinet by a coup at any time, their ability to provide stable government is questionable. Their potential political allies are already divided, and they may not be able to count on the full support of the troops under their command. The 24,000-man Laotian Army is not highly disciplined, and many of its men reportedly voted recently for leftist candidates. More than two battalions formerly served with the Pathet Lao.

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Somali Extremists Threaten to Bomb USIS Library
In Mogadiscio

A small number of young Somali extremists are planning as a gesture against the West, to bomb or set fire to the USIS library located in the American Consulate General in Mogadiscio, [REDACTED]

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The American consul general, who minimizes the possibility of such an incident, informed the Italian and Somali authorities and received a promise of extra protection from the police, who are investigating.

The young extremists may be interpreting the call of the pro-Egyptian president of the Somali Youth League for a "gesture" against the West as a demand for action. Cairo has pursued a tough anti-Western propaganda line in Somalia for several years, using radio broadcasts, teachers and other agents, [REDACTED] the present plot does not appear to involve Egyptians. [REDACTED]

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The French Crisis

Premier Pflimlin's personal staff chief estimates the government's chances of surviving the present crisis at 50-50, with the next 8 to 10 days as the most crucial period. The Paris embassy notes that Pflimlin has now imposed his will on his government, particularly since the Socialists, after their initial demoralization, have rallied firmly to him. The Independent party minority which has been supporting Pflimlin, however, now seems inclined to withhold their votes on the next important issue that comes before the National Assembly, thus making him dependent on Communist support, a development which would probably lead him to resign. A press report that General de Gaulle might--with certain conditions--accept Independent Pinay's plea that he mediate between Paris and Algiers may help reduce rightist pressure on Pflimlin.

The cabinet's decision to ask the assembly to vote 23 May on the desirability of amending the constitution to strengthen the executive and to call later for a vote of confidence on the text of specific amendments may be a tactic intended to rally more support from the hitherto apathetic public. Constitutional reform has been regarded by most French as the panacea for the ills of the Fourth Republic. The 23 May vote will not bind the deputies to anything specific, however, and the fundamental differences on this question will re-emerge when Pflimlin presents the amendments later.

None of this maneuvering seems likely to affect the attitude of the military, who continue to oppose Pflimlin, but are not known to be considering any imminent action against the government. Defense Minister Chevalier is devoting all his efforts to assessing the loyalty of commanders and units in metropolitan France. Interior Minister Moch is reported doing likewise in the security forces, possibly motivated by his belief that the police and national gendarmerie are not completely reliable. Although the government in its effort to win back the allegiance of the military, has been conciliatory towards the Algiers officers, the possibility that younger officers may precipitate some form of rash action is a continuing danger.

Adenauer Concerned Over Summit Meeting

Chancellor Adenauer informed Ambassador Bruce on 20 May that he is concerned over the prospects for a summit conference. He believes that continued stress on unification in connection with the Soviet violation of 1955 Geneva Conference decisions is creating an "unnecessarily bad atmosphere" for negotiations.

Adenauer is convinced that Khrushchev wants a summit meeting and needs it to strengthen his domestic position. The chancellor is apparently influenced by German Ambassador Kroll's report that on 19 May Khrushchev stressed a desire for a summit meeting and indicated there was nothing to keep the Western powers from bringing up German unification under a general heading such as a German peace treaty.

Adenauer said that for domestic political reasons, he must either have a summit meeting or be able to convince the German public that Moscow is blocking it. He feels that the campaign against nuclear weapons in West Germany is more successful than was expected, and apparently fears its effect on the five forthcoming state elections, which will determine control of the upper house.

Ambassador Bruce feels that, while Adenauer continues to support US policies in Europe, he is relying less and less on Foreign Ministry advisers and this will make him more unpredictable in the future.

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State of Siege in Panama

25X6 The 22 May riots in Panama against President de la Guardia's administration have led him to declare a state of siege and may erupt into full-scale revolution. The strong national guard, whose repression of student demonstrations earlier this week resulted in one death and widespread and violent resentment, has announced that it is slowly regaining control of Panama City. The guard has orders to kill. The students have been joined in a general strike against the government by labor unions and other groups, but appear to have lost control of the disturbance to hoodlums. The latter are probably incited by powerful opposition politicians [redacted] who are trying to oust the President. Similar riots are occurring in Colon, the northern terminus of the canal.

Although there has been no evidence of anti-US sentiments thus far, Arias and others have led recent agitation for greater US concessions to Panama in the Canal Zone, and may raise the issue to further arouse the mob. Much of the fighting is close to the zone and any incident with US forces now stationed along the boundary would undoubtedly be given disproportionate emphasis.

25X1 De la Guardia is not strong politically and cannot count on complete loyalty within his own cabinet or party coalition, where he is considered too moderate in his dealings with the United States. The national guard, which is generally regarded by Panamanians as brutal and corrupt, has been his main source of strength. [redacted]

[redacted]

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